



## CALIFORNIA GAMBLING CONTROL COMMISSION

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### MINUTES OF COMMISSION MEETING

MAY 2, 2001

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#### **OPEN SESSION**

Commissioner Hensley called the meeting of May 2, 2001 to order at 9:50 am.

Commissioners present: Arlo E. Smith, J.K. Sasaki, Michael C. Palmer and John E. Hensley.

Staff present: Robert Traverso (Interim Executive Secretary), Peter Kaufman (Legal Counsel loaned by the Attorney General's Office).

The Pledge of Allegiance was recited.

#### **Discussion Item 1. Process to Adopt Regulations**

Cy Rikards of the Department of Justice provided information concerning the regulation adoption/rule making process. He also indicated that emergency regulations, not routinely accepted by the Office of Administrative Law, have a life of 120 days and recommended that, should the Commission pursue emergency regulations, it should simultaneously begin the normal regulation adoption process.

#### **Discussion Item 2. Proposed Interim Regulations for Cardroom Licenses and Work Permits**

Mr. Traverso suggested the Commission direct staff to start working with interested parties on the development of interim or emergency regulations. This item will be addressed further at the May 10, 2001 meeting.

**Discussion Item 3. Revenue Sharing Trust Fund Information Request Status of Responses of Sides Accountancy and Compact Tribes**

Chairman Hensley and Interim Executive Director briefly summarized the issues and the staff report. Thirty-five tribes have responded with the requested information. Twenty-six tribes have not yet responded. Sides and the non-responding tribes have until May 4<sup>th</sup> to respond to the request. Following discussion, Commission indicated that staff should prepare a final report on the requested information and a proposed partial distribution of Revenue Sharing Trust Funds to the non-gaming tribes and the non-compact gaming tribes that have provided the requested information for the May 10, 2001 meeting.

- John Currier of the Rincon Band supported a literal interpretation for the distribution of funds.
- Mary Belardo of the Torres-Martinez Tribe requested the Commission work to distribute the money as soon as possible.

**Discussion Item 4. Clarifying and Resolving Revenue Sharing Trust Fund Distribution Methodology**

This item was deferred until the May 10, 2001 meeting.

**Discussion Item 5. Issuance of Initial State Gaming Licenses**

No staff report was available for Commission discussion. Staff was directed to construct a method to set up a computerized process of issuing licenses.

- John Buttny of Santa Clara County questioned whether or not the May 15<sup>th</sup> deadline was still in affect. Commissioner Hensley indicated that the Compacts state one year from issuance of licenses. We are looking at the Governor's proclamation as to when the State issues licenses. Since we have not issued licenses, I can't see that we can enforce a May 15<sup>th</sup> deadline.

**Discussion Item 6. SB 832 (Polanco)**

The content of this bill was recently changed. Therefore, discussion was deferred until the May 14 meeting when the Commissioners can see the latest amendments.

- Steven Beers requested there be more study of the bill before a decision is made concerning whether or not to support the bill.
- Doug Pringle indicated the bingo parlors are regulated through the counties and there was no need for an additional level of regulations.
- Steve Wilson requested the Commission talk to charitable groups before making a decision on this bill.
- Leonard Chaidez indicated the bill is poorly written and encouraged the Commission to oppose the bill.
- Sandy Johnson indicated there is no need to regulate further.

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- John Currier inquired if whether SB832 would impact the Indian Tribes.
- Patrick McCallum encouraged the Commission to take a stand and wants the CGCC to regulate bingo as opposed to the Legislature.
- Kevin Beers indicated there is limited opportunity for Bingo people to come forward because there is no statewide organization to represent this group.

**Discussion Item 7. Gaming Policy Advisory Committee**

This item will be discussed at the June meeting. Commissioner Hensley invited comments and recommendations on how to select members of this Committee.

- John Buttny encouraged local government representation.
- John Currier asked that there be tribal representation.
- Dan Cosgrove inquired if the formation of this committee would have any delaying impact on obtaining a license.
- Morris Reid was interested in participating.

**Discussion Item 8. Report on Cash-Acceptance Policy and Procedures**

Gary Qualset, Acting Chief Fiscal Officer, reported on present policy and procedures policy. He indicated the Commission would not accept cash receipts for those gaming devices not licensed by the Commission after 3/13/01. If the Commission did receive cash receipts for which the nature, purpose and source could not be identified, the cash would be placed in an uncleared collection liability account as opposed to the Indian Gaming Revenue Sharing Trust Fund. The primary procedure used to determine the nature, purpose and source would be to review the supporting documentation provided with the cash receipt, if any.

**Discussion Item 9. Status Report on FY2000-01 Budget (AB66)**

Robert Traverso reported this bill was scheduled for Assembly Floor action on Thursday.

**Discussion Item 10. Status Report on FY2001-02 Budget**

Robert Traverso reported the process is in the beginning stages. A report has been submitted to the Legislative Analysts Office and the budget process would begin Thursday on the Senate side.

**CONSENT CALENDAR ITEMS**

Commissioner Smith recommended approval and Commissioner Sasaki seconded staff's recommendations concerning amendments to SB 952(Perata) and the approval of the April 16, 2001 Commission Meeting Minutes. The Consent Calendar items were approved unanimously.

## **PUBLIC COMMENT**

- Will Wilkinson, California Grand Casino, indicated the licensing process for all ancillary staff is taking too long and recommends emergency regulations to fix this problem.
- Dan Cosgrove, Welcome Building Maintenance, indicated that prior to the Division's, apparent interpretation that all gambling establishment employees need to have permits, it used to take 72 hours to obtain a license and it now takes up to a month. He was invited to work with Commission staff to resolve this issue and find an interim solution.
- Cheryl Schmidt asked for help with a letter concerning a definition of tribal land. She requested the Commission forward a letter to the Secretary of the Interior, which she would prepare.
- Pauline Girvin expressed concern about whether the CGCC has any role in this issue. She requested that, if the Commission proceeded with Ms. Schmidt's request, all the tribes be copied.
- Gregg Elvine-Krist indicated it was inappropriate for the CGCC to act on behalf of Ms. Schmidt.
- Susan Jenson spoke about the revenue sharing fund.
- \_\_\_ Viego indicated concern regarding Ms. Schmidt's request and that it was outside the CGCC's scope.
- Priscilla Hunter was concerned about the public comment portion of the Commission's meetings, in particular Ms. Schmidt's comments.
- Rod Blonien requested the Commission look at obtaining a temporary exemption from the OAL regular regulation approval process for non-gambling employees for cardrooms. He indicated he would assist the commission in sponsoring legislation to this affect. He also indicated he would encourage the Commission to include city and law enforcement officials on the Advisory Committee.
- Morris Reid expressed concern about the public comment period.
- John Currier indicated the land issue raised by Ms. Schmidt is a federal issue.
- David Kim indicated he sees a duplication of effort in licensing card room activities. It is an issue between the state and local jurisdictions
- John Buttny inquired about the allocation of funds to local governments for impact purposes and it was suggested since the Legislature makes distribution decisions that local governments should work directly with the Legislature.
- John Sustaita discussed Class II operators and provisional licenses. He also inquired about the Public Advisory Committee.

## **CLOSED SESSION**

Commissioner Hensley announced that the Commission would be going to closed session to discuss litigation and personnel issues. At 12:06 pm, the Commission adjourned to closed session.

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**RECONVENE OPEN SESSION**

Chairman Hensley reconvened the open session at 1:55 pm. He indicated that there was nothing to report, that the next Commission public meeting would be May 10, 2001. Commissioner Smith moved to adjourn the meeting and Commissioner Sasaki seconded the motion. By unanimous vote, the meeting was adjourned at 1:56 pm.